



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Assembly Bill 447	Assembly Substitute Amendment 1
<i>Memo published: October 27, 2003</i> <i>Contact: Joyce L. Kiel, Senior Staff Attorney (266-3137)</i>	

2003 Assembly Bill 447 relates to authorizing a health benefit purchasing cooperative pilot project. Assembly Substitute Amendment 1 to the bill makes the following changes to the bill:

1. A health benefit purchasing cooperative (cooperative) would provide health care benefits through a contract with an *insurer* authorized to do business in Wisconsin in one or more lines of insurance that includes health insurance. Under the bill, a cooperative's contract was with a *defined network plan*. References to a "defined network plan" throughout the bill are deleted and replaced with references to "insurer."

2. A cooperative may limit membership of self-employed individuals through its membership criteria, as long as the criteria are applied in the same manner to all self-employed individuals. Under the bill, the defined network plan could limit enrollment of self-employed individuals, rather than the cooperative.

3. Each cooperative member must pay to the cooperative an amount determined by the cooperative that is not less than the member's applicable premium for the 36th month of coverage. If a member withdraws from the cooperative before the end of the contract term, the cooperative may retain, as a penalty, an amount specified by the cooperative that is not less than the premium that the member paid for the 36th month of coverage. Under the bill, each member would have paid to the defined network plan the member's applicable premium for the 36th month of coverage, and the defined network plan would have retained the premium, as a penalty, if the member withdrew from the cooperative before the end of the contract term.

4. After consultation with the Wisconsin Federation of Cooperatives, the Commissioner of Insurance must designate, by order, the five geographic areas of the state in which health benefit purchasing cooperatives may be organized. (A geographic area may overlap with one or more other geographic areas.) Under the bill, the commissioner was required to designate the geographic areas by administrative rule.

5. Any state agency is authorized to seek federal or private funding to be used to support the health benefit purchasing cooperatives project. The bill did not include a comparable provision.

Legislative History

The Assembly Committee on Insurance introduced and then recommended adoption of Assembly Substitute Amendment 1 to the bill by a vote of Ayes, 15; Noes, 0. The committee recommended passage of the bill, as amended, by a vote of Ayes, 15; Noes, 0.

JLK:jal;ksm